

Chapter 27

Saskatchewan Government Insurance—Confirming Only Qualified Drivers Remain Licensed

1.0 MAIN POINTS

By January 2018, Saskatchewan Government Insurance (SGI) made a number of improvements to its processes to confirm only qualified drivers remain licensed to operate motor vehicles. It made good progress in addressing five recommendations we initially reported in 2016. It fully implemented four and partially implemented one of our recommendations.

SGI gave its staff written guidance about timeframes to enter driver traffic offence and medical information, grant extensions to drivers to complete required driver courses, and complete manual reviews of information of high-risk drivers. It updated the IT system it uses to administer driver's licences (AutoFund system) consistent with legislation in effect.

At times, SGI entered driver information it received into the AutoFund system later than expected. Delays in entering the traffic offence information can delay the commencement of SGI's disciplinary process for unsafe drivers.

2.0 INTRODUCTION

The Traffic Safety Act makes SGI responsible for issuing licences to eligible drivers, and confirming that only qualified drivers remain licensed to operate motor vehicles. It may suspend or revoke licences from individuals whose habits or conduct make their operation of a motor vehicle a source of danger to the public. Alternatively, it may sanction them (e.g., require the completion of a defensive driving course).

SGI, on behalf of the Saskatchewan Auto Fund, registers vehicles, licenses drivers, and provides related services to approximately 806 thousand drivers and approximately 1.2 million vehicles and trailers in Saskatchewan.¹ Enforcement (e.g., policing) of traffic safety laws is the responsibility of law enforcement—not SGI.

This chapter describes our follow-up of management's actions on five recommendations we made in our 2015 audit of SGI's processes to confirm only qualified drivers remain licensed to operate motor vehicles. Our *2016 Report – Volume 1*, Chapter 15, concluded that, for the 12-month period ended December 31, 2015, SGI had effective processes to confirm only qualified drivers remain licensed to operate motor vehicles, except for the five areas in which we made recommendations.²

To conduct this follow-up audit, we followed the standards for assurance engagements published in the *CPA Canada Handbook – Assurance* (including CSAE 3001). To evaluate SGI's progress towards meeting our recommendations, we used the relevant criteria from our 2015 audit. SGI management agreed with the criteria in the original audit.

¹ *2016-17 Saskatchewan Auto Fund Annual Report*, p. 8.

² The original report regarding these recommendations can be found at www.auditor.sk.ca/publications/public-reports. We reported the original audit work in *2016 Report – Volume 1* (Chapter 15, pp. 181-199).



We discussed with management the key actions SGI has taken from the time of the 2015 audit to January 31, 2018, to implement the outstanding recommendations. We examined guidance provided to staff. We assessed whether SGI followed its guidance for entering driver information into its computer system and imposing sanctions on drivers that had committed offences. Also, we assessed SGI's processes for updating its system for any changes in law.

3.0 STATUS OF RECOMMENDATIONS

This section sets out each recommendation including the date on which the Standing Committee on Crown and Central Agencies agreed to the recommendation, the status of the recommendation at January 31, 2018, and the SGI's actions up to that date.

3.1 New Written Guidance for Updating Driver Information Not Always Followed

We recommended that Saskatchewan Government Insurance establish written guidance outlining expected timeframes for entry of driver information into the computer system used to administer driver's licences. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Partially Implemented

We recommended that Saskatchewan Government Insurance enter, into its computer system used to administer driver's licences, information on out-of-province traffic offences using similar timeframes as traffic offences that occur in Saskatchewan. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

SGI established clear formal guidance on expected timeframes for staff to enter driver information and out-of-province traffic offences into its computer system, but staff did not always follow it.

SGI maintains an IT system to track and maintain key information about drivers (i.e., the AutoFund system). SGI updated its Driver Programs Procedure Manual (procedure manual) to give staff clear, formal guidance on timeframes to record information in the AutoFund system. See expected timing in **Figure 1**. It updated and formalized its guidance for the Medical Review Unit as well.

Figure 1 – Expected Timing of Data Entry into AutoFund System

Driver information	Expected frequency of data entry into AutoFund system from original audit	Expected frequency of data entry into AutoFund system at January 31, 2018, per SGI's Procedure Manual
Collisions	Daily, electronic transfer	Daily, electronic transfer
Summary Offence Tickets	Daily, electronic transfer	Daily, electronic transfer
Unpaid Fine Suspensions	Daily, electronic transfer	Daily, electronic transfer
Criminal Code Conviction (includes from other provinces)	3 days	5 days
Out-of-province Summary Offence Tickets	As time permitted	14 days
Vehicle Impoundments	3 days	3 days
Roadside Suspensions (includes from other provinces)	3 days	3 days
Medical Reports and Test Results	2 days	Same day (next day if received at end of a business day)

Source: Developed by the Provincial Audit Office based on SGI records

When formalizing and establishing timeframes for entering driver information, SGI considered the impact to the driver and the broader safety of the Saskatchewan public, risk level, and volume of driver information received. For example, it views roadside suspensions and impaired driving Criminal Code convictions as low data-entry risk because the police enter them into the Canadian Police Information Centre (CPIC) before forwarding them to SGI.³ Having the information in CPIC limits the risk of non-qualified drivers operating a vehicle before the commencement of SGI's driver disciplinary process.

SGI used the same timeframes for data entry of Criminal Code convictions and roadside suspensions that occurred in other jurisdictions as these offences occurring in-province. For out-of-province summary offence tickets (e.g., speeding tickets) SGI decided to allow 14 days for data entry because of the high volume of such offences and their low risk. SGI received more than 12,000 out-of-province tickets for the period January 1, 2017 to November 1, 2017. SGI considers summary offence tickets (in and out of province) as low risk because not all summary offence tickets have demerit points associated with them. Also, drivers need to accumulate a specific amount of demerit points before SGI's driver improvement programs require an actionable item such as a driver's licence suspension or requirement to complete a driver education course.

In all of the 30 files of driver medical information (i.e., medical reports and test results) that SGI received that we tested, SGI followed its guidelines for timely data entry.

For non-medical information of drivers that we tested for timeliness of data entry, SGI did not consistently enter that information into its AutoFund system consistent with its procedure manual expectations. We found:

- For 3 of 39 traffic offences we tested, information was entered later than the timeframe outlined in the procedure manual with delays from one to three days.

³ Law enforcement database accessed by all law enforcement across Canada.



- SGI did not document the receipt date for traffic offence information it received by mail (e.g., out of province summary offence tickets).⁴ For 16 of 39 traffic offences we tested, SGI received traffic offence information by mail and did not record the receipt date.⁵ As a result, we could not determine whether SGI entered this information consistent with its expectations in its procedure manual.

Delays in entering traffic offence information can delay the commencement of SGI's disciplinary process for unsafe drivers.

3.2 New Written Guidance for Extensions and Manual Evaluating Followed

We recommended that Saskatchewan Government Insurance give staff written guidance on determining the length of extensions that can be granted to drivers for completion of required actions (sanctions). (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

We recommended that Saskatchewan Government Insurance give staff written timeframes for completing a manual evaluation of driver information. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

SGI updated its procedure manual to give guidance on extending deadlines for completing a sanction and setting the maximum timeframe for staff to complete manual evaluations of driver information.

Under the updated procedure manual, when a driver asks for an extension, SGI staff are to set a new deadline to complete the sanction that is one week after the agreed upon rescheduled date. Also, staff are to complete a manual evaluation of driver information (i.e., SGI interview and SGI manual review of driver record) for high-risk drivers within 30 days of driver being assessed as high risk.

SGI may require a driver with certain offences to complete a training course (e.g., defensive driving course) by a certain date (deadline). Occasionally, SGI grants extensions to drivers for completion of a required sanction or training course. Extensions allow drivers to avoid having licences suspended while giving them more time to take the required training course.

We found SGI staff used professional judgment when granting such extensions by evaluating the factors that impacted the driver's ability to complete the required sanction. If the driver requested an extension, SGI staff assessed the driver's reasons for seeking an extension (e.g., due to conflicts with employment, school, availability of the course, the

⁴ On December 1, 2016, SGI advised the Standing Committee on Crown and Central Agencies that it was documenting the date of receipt of traffic information.
<http://docs.legassembly.sk.ca/legdocs/Legislative%20Committees/CCA/Debates/161201Debates-CCA.pdf#page=28> (30 October 2017).

⁵ 16 items include: 12 out-of-province summary offence tickets, 3 out-of-province Criminal Code convictions, 1 in-province roadside suspension.

nature of the training course required, etc.). Due to the number of factors involved and every driver's situation being different, SGI determined it was not feasible to set guidelines on the length of extension granted. We considered this reasonable.

We verified that, similar to what we found during our 2015 audit, if the driver does not complete the sanction or training course by the new deadline, the AutoFund system automatically suspends the driver's licence, which reduces the number of high-risk drivers remaining on the road.

For 13 extensions SGI granted that we tested, SGI obtained sufficient detail from drivers requesting an extension to allow it to assess the driver's situation and determine if and how long extensions could be granted. We found SGI provided extensions to drivers who rescheduled their courses based on course availability, and driver's circumstances. SGI staff granted reasonable extensions in accordance with the guidelines. We also verified that SGI suspended drivers' licences timely for drivers who did not complete sanctions as expected.

For all of the 30 manual evaluations of driver information we tested, SGI followed its expectations.

3.3 SGI Computer System Appropriately Updated

We recommended that Saskatchewan Government Insurance confirm changes to the law that set demerit points and sanctions are in effect before making corresponding changes in the computer system used to administer driver's licences. (2016 Report – Volume 1; Standing Committee on Crown and Central Agencies agreement December 1, 2016)

Status – Implemented

The AutoFund system generates demerit points and sanctions consistent with the Act and regulations in effect.

SGI takes steps to confirm changes to the law related to demerit points and sanctions are approved and in effect before updating the coding and requirements in the AutoFund System—the IT system used to administer driver's licences.

We found changes to the AutoFund's coding and requirements consistent with approved changes to legislation. To determine this, we did the following:

- We compared changes since our 2015 audit to the Act and regulations related to demerit points and sanctions for traffic offences to changes to coding and requirements in the AutoFund system (e.g., increased sanctions for impaired driving, increased demerit points for exceeding the speed limit indicated by signs).
- We reviewed proposed legislation changes (Bill 28-81) to the demerit points system regarding increased sanctions for impaired drivers who transport children along with other minor changes.⁶ We observed SGI planning records to implement changes when the legislation comes into effect, and confirmed that the AutoFund system did not have those changes made yet.

⁶ Progress of bills 2017-18, 28th Legislature, 2nd session, *The Traffic Safety (Miscellaneous) Amendment Act, 2017*.

